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FISCAL IMPACT STATEMENT

LS 6302

BILL NUMBER: HB 1192

NOTE PREPARED: Nov 23, 2003

BILL AMENDED:

SUBJECT: State Employment and Compensation.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides an optional arbitration procedure for state employee grievances. It specifies a grievance procedure for teachers who are state employees. The bill requires the state to provide a group health insurance program to each retired teacher who was a state employee, who was at least 55 years of age at retirement, and who participated in the employee's retirement fund: (1) for 15 years; or (2) for at least 10 years immediately preceding retirement.

Effective Date: July 1, 2004.

Explanation of State Expenditures: *Grievance Procedures:* The bill provides an optional arbitration procedure for state employee grievances. Currently, the State Employee Appeals Commission must review a grievance before it is submitted to arbitration. The bill allows the employee to choose arbitration or to appeal to the commission, and the action of the arbitrator or the commission is a final order subject to judicial review. The cost of arbitration currently is shared by the employers and employee and would also be shared under the bill. The change in the arbitration procedure could increase cost if more grievances went through the arbitration process instead of using the State Employee Appeals Commission. The increase is unknown.

Background Information: There are about 479 teachers in the state institutions with total salaries of about \$29.4 M. Of the 479 teachers, 120 are over age 55.

Group Health Insurance: The bill allows a state employee who taught in a state institution under the Department of Correction; the Division of Disability, Aging, and Rehabilitative Services; the Division of Mental Health; the Indiana School for the Blind; the Indiana School for the Deaf; the Indiana Soldiers' and Sailors' Children's Home; or Silvercrest Children's Development Center who retired between age 55 and 65

with 10 years of service immediately prior to retirement or 15 years of total service to participate in the state health insurance program. Currently, an employee would need 15 years of service to participate in the health insurance plan. The number of people who would qualify is unknown, but the impact would probably be minor.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Personnel; Department of Correction; the Division of Disability, Aging, and Rehabilitative Services; the Division of Mental Health; the Indiana School for the Blind; the Indiana School for the Deaf; the Indiana Soldiers' and Sailors' Children's Home; and Silvercrest Children's Development Center.

Local Agencies Affected:

Information Sources: State Personnel Database.

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